

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6037

BILL NUMBER: SB 269

NOTE PREPARED: Jan 21, 2011

BILL AMENDED: Jan 20, 2011

SUBJECT: Marion County Auto Rental and Admissions Taxes.

FIRST AUTHOR: Sen. M. Young

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill repeals the authority of the Marion County City-County Council to increase the county supplemental auto rental excise tax rate by not more than 2% after January 1, 2013, and before March 1, 2013. The bill repeals the authority of the Marion County City-County Council to increase the county admissions tax rate by not more than 4% after January 1, 2013, and before March 1, 2013.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: *Summary:* The bill does not reduce the current tax rates for the Marion County supplemental auto rental excise tax and the Marion County admissions tax. However, the bill eliminates Marion County's ability to increase these rates in 2013. This would limit potential revenue that might have been available to the Sports and Convention Facilities Operating Fund if the City-County Council were to have approved these potential rate increases.

Background: The Marion County admissions tax rate is currently 6%. The admissions tax generated \$7.7 M in revenue during FY 2010. The Marion County supplemental auto rental excise tax rate is currently 4%. The supplemental auto rental excise tax generated \$3.8 M in revenue during FY 2010. The current tax rates have

been in effect since July 2005.

Sports and Convention Facilities Operating Fund- Revenue in the Fund is to be used for the usual and customary operating expenses with respect to the capital improvements that are owned, leased, or operated by the Marion County Capital Improvement Board.

Revenue Estimates- The following table shows the estimated *additional* revenue, if Marion County raised the tax rates, that could be generated in FY 2013 and FY 2014. The estimates in the table were generated on the assumption that the Marion County City-County Council would act to increase both tax rates by the maximum increase allowed under current statute, and that the Council would do so as close to January 1, 2013, as possible. The maximum increase authorized in current law is 4% for the admissions tax and 2% for the supplemental auto rental excise tax.

Fiscal Year*	County Admissions Tax (If Increased by 4%)	Supplemental Auto Rental Excise Tax (If Increased by 2%)
2013	\$2,338,000	\$798,100
2014	\$5,779,600	\$1,915,600
*An effective date on or near January 1, 2013, in an ordinance to increase these tax rates would render at most only a five-month increase in revenue (assuming a lag of one month in receipt of new revenue due to the rate increases) during FY 2013.		

State Agencies Affected:

Local Agencies Affected: Marion County City-County Council; Marion County Capital Improvement Board.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations, FY 2010 Edition.*

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